

HOUSE BILL NO. 5891

March 10, 2022, Introduced by Reps. Martin, Griffin, Cambensy, Bellino, Roth, Outman, Steenland, Garza, Haadsma, O'Malley, Sabo and Witwer and referred to the Committee on Natural Resources and Outdoor Recreation.

A bill to amend 1985 PA 227, entitled
"Shared credit rating act,"
by amending section 3 (MCL 141.1053), as amended by 2012 PA 288.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Authority" means the Michigan finance authority created
- 3 by Executive Reorganization Order No. 2010-2, MCL 12.194.
- 4 (b) "Board" means the board of directors of the authority.
- 5 (c) "Bonds" means bonds of the authority issued under this act

1 with a maturity greater than 3 years.

2 (d) "Capitalization grant" means the federal grant made to
 3 this state by the United States ~~environmental protection agency~~
 4 **Environmental Protection Agency** for either of the following
 5 purposes:

6 (i) For the purpose of establishing a state water pollution
 7 control revolving fund, as provided in title VI of the federal
 8 water pollution control act, 33 USC 1381 to ~~1387~~-**1389**.

9 (ii) For the purpose of establishing a state drinking water
 10 revolving fund, as provided in section 1452 of the ~~public health~~
 11 ~~service act~~, **federal safe drinking water act**, 42 USC 300j-12.

12 (e) "Community water supply" means a community water supply as
 13 defined in part 54 of the natural resources and environmental
 14 protection act, 1994 PA 451, MCL 324.5401 to 324.5418.

15 (f) "Emergency loan board loan" means a loan made by ~~the~~-**this**
 16 ~~state of Michigan~~ to a governmental unit pursuant to the emergency
 17 municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

18 (g) "Federal safe drinking water act" means ~~title XIV of the~~
 19 ~~public health service act, chapter 373, 88 Stat. 1660~~. **42 USC 300f**
 20 **to 300j-25**.

21 (h) "Federal water pollution control act" means 33 USC 1251 to
 22 ~~1387~~-**1389**.

23 (i) "Fully marketable form" means a municipal obligation duly
 24 executed and accompanied by all of the following:

25 (i) An approving legal opinion of a bond counsel approved by
 26 the authority and of nationally recognized standing in the field of
 27 municipal law.

28 (ii) Closing documents in a form and substance satisfactory to
 29 the authority. The executed municipal obligation need not be

1 printed or lithographed nor be in more than 1 denomination.

2 (iii) Evidence that the pledge for payment of the municipal
3 obligation will be sufficient to pay the principal of and interest
4 on the municipal obligation when due.

5 (iv) For purposes of a project funded under section 16a, an
6 order of approval issued by the department of ~~environmental quality~~
7 **environment, Great Lakes, and energy** under part 53 of the natural
8 resources and environmental protection act, 1994 PA 451, MCL
9 324.5301 to ~~324.5317.~~ **324.5316**. The order shall state that the
10 project proposed by the governmental unit has been approved for
11 assistance by the department of ~~environmental quality.~~**environment,**
12 **Great Lakes, and energy.**

13 (v) For purposes of a community water supply or a noncommunity
14 water supply funded under section 16b, an order of approval issued
15 by the department of ~~environmental quality~~**environment, Great**
16 **Lakes, and energy** under part 54 of the natural resources and
17 environmental protection act, 1994 PA 451, MCL 324.5401 to
18 324.5418. The order shall state that the community water supply or
19 the noncommunity water supply proposed by the governmental unit has
20 been approved for assistance by the department of ~~environmental~~
21 ~~quality.~~**environment, Great Lakes, and energy.**

22 (j) "Governmental unit" means this state, a county, city,
23 township, village, school district, intermediate school district,
24 community college, public university, authority, district, any
25 other body corporate and politic or other political subdivision,
26 any agency or instrumentality of the foregoing, or any group self-
27 insurance pool formed pursuant to 1951 PA 35, MCL 124.1 to 124.13.
28 For purposes of a project funded under section 16a, governmental
29 unit includes an Indian tribe that has jurisdiction over

1 construction and operation of a project qualifying under 33 USC
2 1329. For purposes of a community water supply or a noncommunity
3 water supply funded under section 16b, governmental unit includes a
4 community water supplier. A governmental unit does not include a
5 self-insurance pool unless the self-insurance pool has filed a
6 certification by an independent actuary that the reserves set aside
7 under section 7a of 1951 PA 35, MCL 124.7a, are adequate for the
8 payment of claims. A school district ~~shall include~~ **includes** a
9 public school academy established under the revised school code,
10 1976 PA 451, MCL 380.1 to 380.1852. Funds loaned to a public school
11 academy or a school district may not be used to finance the
12 purchase, construction, lease, or renovation of property owned,
13 directly or indirectly, by any officer, board member, or employee
14 of that public school.

15 (k) "Municipal obligation" means a bond or note or evidence of
16 debt issued by a governmental unit for a purpose authorized by law.
17 A municipal obligation includes loan repayment obligations from a
18 school district to this state with respect to a qualified loan made
19 under a school loan act that is assigned or otherwise transferred
20 by this state to the authority. A municipal obligation includes an
21 emergency loan board loan that is assigned or otherwise transferred
22 by this state to the authority.

23 (l) "Noncommunity water supply" means a noncommunity water
24 supply as defined in part 54 of the natural resources and
25 environmental protection act, 1994 PA 451, MCL 324.5401 to
26 324.5418.

27 (m) "Notes" means an obligation of the authority issued as
28 provided in this act, including commercial paper, with a maturity
29 of 3 years or less.

1 (n) "Project" means a sewage treatment works project or a
 2 nonpoint source project, or both, as defined in part 53 of the
 3 natural resources and environmental protection act, 1994 PA 451,
 4 MCL 324.5301 to ~~324.5317~~. **324.5316**.

5 (o) "Reserve fund" means a bond reserve fund or note reserve
 6 fund created and established under section 16.

7 (p) "Revenues" means all fees, charges, money, profits,
 8 payments of principal of or interest on municipal obligations and
 9 other investments, gifts, grants, contributions, and all other
 10 income derived or to be derived by the authority under this act.

11 (q) "School loan act" means an act to implement section 16 of
 12 article IX of the state constitution of 1963, including, but not
 13 limited to, former 1961 PA 108, 1961 PA 112, MCL 388.981 to
 14 388.985, and the school bond qualification, approval, and loan act,
 15 2005 PA 92, MCL 388.1921 to 388.1939. For a qualified bond, as **that**
 16 **term is** defined in former 1961 PA 108, with a certificate of
 17 qualification from the state treasurer issued ~~prior to~~ **before** July
 18 20, 2005, "school loan act" means former 1961 PA 108. For a
 19 qualified bond, as **that term is** defined in the school bond
 20 qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to
 21 388.1939, with a certificate of qualification or approval issued by
 22 the state treasurer on or after July 20, 2005, school loan act
 23 means the school bond qualification, approval, and loan act, 2005
 24 PA 92, MCL 388.1921 to 388.1939.

25 (r) "Water supplier" means a water supplier as **that term is**
 26 defined in part 54 of the natural resources and environmental
 27 protection act, 1994 PA 451, MCL 324.5401 to 324.5418.

28 Enacting section 1. This amendatory act does not take effect
 29 unless Senate Bill No. _____ or House Bill No. 5890 (request no.

1 01361'21) of the 101st Legislature is enacted into law.